

lion for the rise was resumed, and continued, with varying fortunes, until the latter part of 1906.

The year 1907 opened with a feeling among far-sighted bankers that speculation had been carried to extremes and that the only safe policy to pursue during the year was one of conservatism. These feelings were justified in March by a sudden collapse in the stock market—one of the most violent and, in some respects, most peculiar ever experienced. With little previous warning and without any notable event to bring about the crash, buying power suddenly disappeared from the market about the 13th of March and, after serious losses on that day, prices of leading stocks plunged downward many points on the 14th. Reading, which opened at 115, closed at 93,\* Amalgamated Copper fell from 98 to 80; American Smelting from 130<sup>^</sup> to 120, and Union Pacific from 145 to 120<sup>^</sup>. Losses in many other cases were 20 per cent., and in some cases much more. Issues which were not of a first-class and well-known character became almost unsalable. Margins were wiped out, stocks were thrown over without regard to price, and heavy losses were suffered by wealthy men who had been induced to buy Union Pacific and other stocks in the expectation of an advance.<sup>1</sup> Paper profits shrivelled up more rapidly than in the great market breaks of "Black Friday" in 1869 or of the panic of 1873.

Events during the early summer were not encouraging to the market. The government prosecutions of corporations culminated in the fine of \$29,240,000 imposed upon the Standard Oil Company of Indiana, upon 1462 counts, for rebating. The scarcity of capital was indicated by the complete failure of bond offerings by leading cities whose credit was above reproach. On August 9th, an offer by the city of Boston of \$4,000,000 in 4 per cent. bonds brought bids for only \$200,000. Three days later an offer by the city of New York of \$15,000,000 4 per cents, brought bids of

<sup>1</sup> The shrinkage in 26 principal stocks alone, as compared with January 1, 1907, was computed at \$971,500,000.—New York **Times**> March 15, 1907, 2.